

Shopping Behavior of Consumers Towards Organic Food Products

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Abstract

This paper aimed to study shopping behavior of consumer towards organic food products. A sample of 200 consumers from Twin cities Hyderabad and Secunderabad, Telangana state have been purposefully selected for the present study. Majority of consumers are agreed that their buying influence is friends and while shopping they go with friends, spouse and children are given second priority in this regard. Rs.501-1000 and Rs.1001-2000 are major buying values of consumers and majorities are using direct cash payment method to buy organic food products. Vegetables and fruits are highest preference other than other food products that customers giving while buying organic food products.

Keywords: Buying behavior, Consumers, Organic food products, Purchasing preference, and Shopping behavior

INTRODUCTION

Organic foods are thus has becoming very popular due to its various benefits largely the health concern as compared to the non-organic ones. The demand for organic foods has significantly increased due to increasing awareness on health, food safety and environmental concerns. Awareness and knowledge has become critical factor in changing the attitude and behavior of consumers towards organic foods, which in turn is expected to drive the growth in the organic food markets. It has been the fact that the consumer awareness and knowledge as well as consumption of organic foods are significantly higher in developed countries as compared to developing countries.

The organic food buying behavior is difficult because organic food products are available in the market together with conventional ones and the buying decision depends on many factors that can vary sharply across individuals. Organic food products possess some credence characteristics not directly observable by consumers but which play an important role when shopping. Then, whether consumers decide to purchase organic foods will depend on many factors, including consumers' attitudes toward these unobservable organic foods characteristics (i.e. environmental protection, food safety, healthiness).

The factors affecting consumers' purchase decision for organic foods found that the main reasons why consumers buy organic food products include the health and environmental attitudes of consumers, the production origin of the product (local), consumers' economic characteristics and to some extent consumers' socio-demographic characteristics. Organic product knowledge is an important factor because it represents the only instrument that consumers have to differentiate the attributes of organic products from those of conventional ones and to form positive attitudes and quality perceptions toward these products.

LITERATURE REVIEW:

Organic knowledge is determined by socio-demographic variables such as education level and income and psychographic variables such as values and lifestyles. In addition, organic knowledge is affected by information provided by the public administration, mass media, ecological associations and shopping site. The another factor which influence the choice of organic food buying decision is the sensory appeal comes under psychological factor which is the strongest influence to consumers' decision to buy organic food. It is closely link to the degree of liking food resulting from experience and psychological perception (Asp, 1999). Organic produced foods are usually less attractive, smaller in size and often inflicted by insects due to chemical free reason. However, the small size and shape of the organic food do not prevent consumers to buy those foods (Gendall, *et. al.*, 1999).

The organic foods cost more in the market and common publics may find it non economical to pay the higher price as their daily food consume. Not unless and until people perceive the unique characteristics of organic food can bring various benefits to them, they will not view organic food as an exorbitant range food. The price differential would be viewed to reflect the product quality we get during the purchase and there is no such

thing called good and cheap food (Hill and Lynchehaun, 2002). Dasari.Pandurangarao et.al.,(2011) stated that since consumers have great potential for green products of fresh vegetables, fresh fruits, milk and milk products and dried fruits and nuts manufacturers should consider the prices and quality of green products to attract these consumers. If businesses offer environmentally friendly products to consumers with affordable price and higher quality as compared to traditional products, along these consumers have positive intentions to purchase green products, green products purchase will be high. Thus, businesses must ensure competitive pricing strategies along with strong quality controls to attract the prospective green customers.

Rizaimy, *et. al.*, (2010) stated that price is not the main factor affecting consumers' decision to buy organic food so long those foods are able to provide good value to them as compared to the non-organic food. The consumers are willing to pay premium price to buy organic food due to several benefits derived from those foods (Kumar and Ali, 2011). Price has some association to the socio demographic profile. Those who have higher income do not view organic food as expensive and would buy more due to food safety and health concern (Tsakiridou, *et. al.*, 2007). As a result, price is also considered as factor that affect consumers' buying decision on organic food products.

As part of health concern, consumers are very particular about the calories intake from the food they consume. Maintaining a balanced level of calories can help ones from being suffering from obesity (Sun, 2007). Therefore, consumers are always tried to optimize their healthy eating habit in order to maintain the body well-being. An over dose of calories in food consumption can end up in getting all kind of diseases or having certain medical problems which is definitely damaging to our health.

Ethical and moral motives are undoubtedly important components for consumers who buy organic products. Ethical here means commitment in doing things which will not harm the environment and society (Harper and Makatouni, 2002). Environmental issue has become a major concern and there are rising number of ecological problem associated with human being such as climate change, pollution, global warming and so on and so forth. The principle of organic production encompasses safe food production, environment and animal welfare as well as the issue of social justice (Brown, *et al.*, 2000). So, consumers should always support the effort in dealing with protecting and preserving the environment and natural resources through their daily products consumptions.

METHODOLOGY AND SAMPLE DESIGN:

SAMPLE DESIGN:

Among the different areas in Telangana, Hyderabad and Secunderabad have been purposively selected for the present study. The consumers have been selected by adopting random sampling technique through pre-tested, structured interview schedule through direct interview method. The data and information have been collected from 200 consumers and pertain to the year 2014-2015.

METHODOLOGY:

The frequency and percentage analyses were carried out to understand the socio-economic characteristics consumers and shopping behavior. In order to examine of customer buying behavior chi-square test has been applied. To analyze purchase preference of customers on organic products ranking method has been employed. Percentage and ranking methods are used to find out customers' purchasing preference on organic food products.

RESULTS AND DISCUSSION

Socio economic factors of consumers of organic food products

The socio-economic characteristics of consumers of green products were analyzed and the results are presented in Table 1. The results indicate that about 69.00 per cent of the consumers are males while the rest of 31.00 per cent of the consumers are females. The results also show that about 43.50 of the consumers are post graduates followed by graduation (37.00 per cent), higher secondary (6.50 percent), up to secondary (6.50), professionals (4.00 per cent) and diploma (2.50 per cent). From the table, it is clear that about 47.00 percent of the customers belong to the age group of 21-25 years followed by 26-50 years (22.50 per cent), 31-35 years (15.60 per cent), 15-20 years (7.00 percent), 36-40 years (3.00 per cent), 41-45 years (2.50 per cent), 46-50 years (1.00) and 56-60 years (1.00 percent).

The majority of the consumers' total family income (15.00 per cent) is above Rs.60, 001 followed by Rs.50,001 – Rs.55,000 (15.00 per cent), Rs.30,001 – Rs.35,000 (14.00 per cent), Less than Rs.20,000 (13.00 per cent), Rs.45,001 – Rs.50,000 (11.50 per cent),Rs.45,001 – Rs.50,000 (10.50),Rs.40,001 – Rs.45,000 and Rs.25,001 – Rs.30,000 (6.50),Rs.20,001 – Rs.25,000 (5.00 per cent), and Rs.35,001 – Rs.40,000 (3.00 per cent).

The results also show that about 34.50 per cent of the consumers are working in private sector, followed other (31.50 per cent), business (14.50 per cent), MNCs (12.50), government service (5.00 per cent) and retired (2.00), and about 38.00 per cent of the consumers are married while the rest of 62.00 per cent of the consumers are unmarried.

Table-1: Socio economic factors of consumers

Variable	Respondents(N=200)		Variable	Respondents(N=200)	
	Number	Per Cent		Number	Per Cent
Gender			Age		
Male	138	69.00	15-20 years	14	7.00
Female	62	31.00	21-25 Years	94	47.00
Educational Qualification			26-30 Years	45	22.50
Up to Secondary	13	6.50	31-35 Years	32	15.60
Higher Secondary	13	6.50	36-40 Years	6	3.00
Diploma	5	2.50	41-45 Years	5	2.50
Graduation	74	37.00	46-50 Years	2	1.00
Post Graduation	87	43.50	56-60 Years	2	1.00
Professionals	8	4.00	Occupation		
Total Family Income			Business	29	14.50
Less than Rs.20,000	26	13.0	Government Service	10	5.00
Rs.20,001 – Rs.25,000	10	5.0	Private Sector	69	34.50
Rs.25,001 – Rs.30,000	13	6.5	MNCs	25	12.50
Rs.30,001 – Rs.35,000	28	14.0	Retired	4	2.00
Rs.35,001 – Rs.40,000	6	3.0	Others (Specify)	63	31.50
Rs.40,001 – Rs.45,000	13	6.5	Marital Status		
Rs.45,001 – Rs.50,000	21	10.5	Married	76	38.00
Rs.50,001 – Rs.55,000	30	15.0	Unmarried	124	62.00
Rs.55,001 – Rs.60,000	23	11.5	-----	-----	-----
Above Rs.60,001	30	15.0	-----	-----	-----

Source: Primary Data

SHOPPING BEHAVIOR OF CUSTOMERS

Table-2: Shopping behavior of customers

Shopping Behavior		Shopping Frequency					Total
		Daily	Weekly	Fortnightly	Monthly	Occasionally	
While Shopping You Normally Go With	Alone	1(0.50)	1 (0.5 0)	0(0.00)	5(2.50)	11(5.50)	18(9.00)
	With Friends	3(1.50)	24(12.00)	3(1.50)	45(22.50)	40(20.00)	115(57.50)
	With Spouse	8(4.00)	8(4.00)	2(1.00)	4(2.00)	4(2.00)	26(13.00)
	With Spouse and Children	8(4.00)	6 (3.00)	2(1.00)	14(7.00)	6(3.00)	36(18.00)
	With colleagues	0(0.00)	0(0.00)	1(00.5)	1(0.50)	3(1.50)	5(2.50)
Buying Influence	Spouse	11(5.50)	9(4.50)	2(1.00)	11(5.50)	9(4.50)	42(21.00)
	Children	2(1.00)	6(3.00)	2(1.00)	7(3.50)	6(3.00)	23(11.50)
	Friends	5(2.50)	13(6.50)	1(0.50)	35(17.50)	22(11.00)	76(38.00)
	Advertisement	1(0.50)	9(4.50)	0(0.00)	14(7.00)	12(6.00)	36(18.00)
	Co-buyer	1(0.50)	1(0.50)	1(0.50)	0(0.00)	11(5.50)	14(7.00)
	Sales Promotions	0(0.00)	1(0.50)	2(1.00)	2(1.00)	4(2.00)	9(4.50)

Source: Primary Data Note: Figures in the parenthesis is percentage of total

The results shows 200 customers shopping behavior, out of 200 customers majority of customers are(57.50 percent) shopping with friends out of 57.50 per cent 22.50 per cent are shopping monthly, followed by occasionally (20.00 per cent), weekly (12.00 per cent) and daily and fortnightly (1.50).Secondly (18.00 per cent) customer are preferring to go shopping with spouse and children, 7.00 per cent out of 18.00 per cent shopping monthly followed by daily (4.00 per cent), occasionally and weekly (3.00 per cent) and fortnightly (1.00 per cent). The table also shows those 13.00 per cent customers are shopping with spouse in different times followed by friends (9.00 per cent) and colleagues (2.50 per cent). None of customers are giving preference to go shopping with colleagues daily and weekly and customer are giving very least preference to colleagues.

Form the results it is clear many customer are agreed that their major shopping influence is friends(38.00) followed by spouse (21.00 per cent), advertisement influencing 18.00 per cent, 11.50 per cent are forced by children, co-buyers are motivating 7.00 per cent and sales promotion (4.50 per cent) as least preference. Results

also indicates that 17.50 per cent customer are influenced by friends to go shopping monthly and none of customer are turn up with sales promotions to go shopping daily. Co-buyer influence is none to shop monthly. Friends are major influence and majority of customer are shopping with friends. Majority of customers are shopping monthly followed by occasionally, weekly, daily and fortnightly.

BUYING BEHAVIOR OF CUSTOMERS

Table-3: Buying behavior of customers

Average Buying Value per Visit / Mode of Payment on Your Purchase	Cash	Credit Card	Debit Card	Total	Degree of Freedom	Chi-Square value
Less than Rs.500	23 (11.50)	2 (1.00)	1 (0.50)	26.0 (13.00)	10	11.69
Rs.501 - Rs.1000	49 (24.50)	7 (3.50)	12 (6.00)	68.0 (34.00)		
Rs.1001 – Rs.2000	53 (26.50)	10 (5.00)	8 (4.00)	71.0 (35.50)		
Rs.2001 - Rs.3500	12 (6.00)	6 (3.00)	2 (1.00)	20.0 (10.00)		
Rs.3501 – Rs.5000	8 (4.00)	3 (1.50)	3 (1.50)	14.0 (7.00)		
Rs.5001 – Rs.10000	1 (0.50)	0(0.00)	0 (0.00)	1.0 (0.50)		
Total	146 (73.00)	28 (14.00)	26 (13.00)	200.0(100.00)		

Source: Primary Data Note: Figures in the parenthesis is percentage of total

The table shows buying behavior of customers with regard to mode of payment and average buying value. Out of 200 respondents , 35.00 per cent customers buying value is range between Rs.1001 – Rs.2000 followed by Rs.501 - Rs.1000 (34.00 per cent), Less than Rs.500 (13.00 per cent), Rs.2001 - Rs.3500 (10.00 per cent), Rs.3501 – Rs.5000(7.00 per cent) and rest of 0.50 per cent shopping value range between Rs.5001 – Rs.10000. The result also shows that 73.00 per cent customers mode of payment is cash followed by credit card (28.00 per cent) and rest of 26.00 per cent respondent are using debit card.

The chi-square value of 11.69 is significant at five per cent level indicating that there is a significant difference between mode of payment and average buying value per visit.

CUSTOMER PURCHASING PREFERENCE ON ORGANIC FOOD PRODUCTS:

Customer purchasing preference on organic food products was analyzed and presented in the table 4.

Table-4: Customer purchasing preference on Organic Food Products

Products	Percent	Ranking
Vegetables	35.00	2
Fruits	38.50	1
Meat and Meat Products	9.00	3
Milk and Milk Products	9.00	3
Cereals	5.00	5
Pulses	6.00	4
Beverages	4.00	6
Cooking Oils	3.00	7
Spices	6.00	4
Sugar Products	2.00	8

Source: Primary Data

The results show that about 38.50 percent of the consumers are chosen to buy fruits and it is ranked 1st followed by vegetables (35.00 percent), ranked 2nd, meat and milk products (9.00 percent) both are ranked 3rd, pulses and spices (6.00 percent) ranked 4th, cereals (5.00 percent) ranked 5th, beverages (4.00 percent) ranked 6th, cooking oils (3.00 percent) ranked 7th and sugar products are ranked with 8th with low preference in purchasing.

FINDINGS

The foregoing analysis shows that about 69.00 percent of the consumers are male while the rest of 31.00 percent of the consumers are female. The results also show that majority of the consumers (43.50 percent) are postgraduates and about 47.00 percent of the consumers are aged between 21-25 years. The results also shows that majority of the consumers' total family income (15.00 per cent) is above Rs.60, 001 followed by Rs.50, 001 – Rs.55, 000 (15.00 per cent).

The shopping behavior indicates that friends and family (spouse and children) are key buying influence, advertising and sales promotions influence is lees compare to friends and family. More than 50.00 percent of consumers are preferred while shopping they go with friends and children, secondly spouse and children. Another fact discovered that majority of consumers are interest to buy organic food products monthly and occasionally.

In case of buying behavior Rs.501-1000 and Rs.1001-2000 are major buying values of consumers and majorities are using direct cash payment method to buy organic food products. One more imperative facet that

vegetables and fruits are highest purchasing preference and rest of the products concerned to the study are give very low preference to buy.

SUGGESTIONS

Advertisements and sales promotions should be raised by companies since its influence is very less compare to family and friends. Very less customer are shopping daily and weekly and Majority of consumer are shopping monthly and occasionally, in order attract and make organic food daily food of their life companies should give extensive advertisements on benefits of organic food consuming and day to day promotions. To make more consume of milk and meat products, cereals, pulse, cooking oils and sugar products companies have to find new promotional strategies.

CONCLUSION

Health is utmost concern to any human now a day's life. Hygiene and nutritious food offer good health for which we have to consume organic foods products. Organic food awareness in the society and consumers has been increasing day by day but purchasing behavior of organic food products is difficult because organic food products are available in the market together with conventional ones and the buying decision depends on many factors such as health and environmental attitudes and socio-demographic characteristics that can vary sharply across individuals.

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